Sects. II-27—100,006—21-5-52.

(195) Department.

SERIES.

G.O. No. 344

Dated 8-4-1948

[Despatch Abstract.]

Finance Department.

A printed copy of the Proceedings relating to the Question in the Assembly is put up at pp.41-46 c.f. The papers may be recorded as a G.O. for future reference.

G.O.No.344 Finance, dated 8th April 1948.

Legislative Assembly Question - Begum Sultan Mir Amiruddin - Steps taken by the Government to check inflation - Papers Recorded.

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7-4-48.

(True copy)

Office Assistant,
Madras Record Office.

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APPENDIX I.

[Vide answer to starred question No. 114 asked by Sri P. R. Kandaswami Gounder at the meeting of the Legislative Assembly held on the 25th September 1947, page 336 supra.]

Pollachi Water-supply Scheme—Estimate Rs. 5,16,000—*Work started in November* 1938—*Year-war expenditure statemen..*

Year.	Works expenditure.			Centage.			Total.			Government grant.			Municipal share paid		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
1938-39	61,507	10	0	9,535	0	0	71,042	10	0	51,500	0	0	51,500	0	0
1939-40	1,59,073	1	8	24,657	0	0	1,83,730	1	8	76,000	0	0	76,000	0	0
1940-41	1,07,170	12	7	16,612	0	0	1,23,782	12	7	34,000	0	0	83,100	0	0
1941-42	33,435	10	10	5,183	0	0	38,618	10	10	53,900	0	0	4,800	0	0
1942-43	3,076	0	8	477	0	0	3,553	0	8	..			6,125	0	0
1943-44	939	7	0	146	0	0	1,085	7	0	..			..		
1944-45	766	3	0	119	0	0	885	3	0	..			..		
1945-46	3,651	1	0	566	0	0	4,217	1	0	6,000	0	0	..		
1946-47	19,294	10	9	2,988	0	0	22,282	10	4	..			55,700	0	0
Total ..	3,88,914	9	1	60,283	0	0	4,49,197	9	1	2,21,400	0	0	2,77,225	0	0

APPENDIX II.

[Vide answer to starred question No. 123 asked by Begum Sultan Mir Amiruddin at the meeting of the Legislative Assembly held on the 25th September 1947, page 349 supra.]

NOTE ON THE STEPS TAKEN BY THE MADRAS GOVERNMENT TO ASSIST IN CHECKING THE INFLATION OF PRICES.

Inflation has arisen in India from the war conditions from 1942 onwards. The Central Government expanded the currency rapidly to provide funds for purchasing war supplies. The additional purchasing power passed into the hands of the public, and at the same time the supplies of goods available for purchase by the public became smaller. The result was a rapid rise in prices.

2. The checking of inflation is mainly a matter for the Central Government. In order to achieve a net withdrawal of purchasing power from the public, which could be used to effect a contraction of the currency, the proceeds of taxation and borrowing from real savings would have to exceed the amounts required for Government outlay. The production of essential goods has to be encouraged so as to do away with shortages, and as long as serious shortages of essential goods persist, controls over prices and distribution are necessary in order to protect the public, to the extent possible, from the worst effects of the inflation. The Madras Government have endeavoured to co-operate in these lines of action. The action they have taken is indicated in the following paragraphs.

3. *Borrowing.*—During the war years, the Madras Government borrowed considerable sums by raising loans in the open market partly for their capital expenditure and partly for repaying a portion of their debt to the Central Government. Though the Madras Government had sufficient reserves to meet their requirements, they borrowed in the open market in order to help in withdrawing some of the excess purchasing power from the public.

The Central Government started a Small Savings Scheme during the war to encourage thrift among small savers and the sale of Twelve-Year Post Office National Savings Certificates to them. The scheme is to be made a permanent measure for the promotion of thrift. The Madras Government are in charge, on behalf of the Central Government, of the organization that operates the Small Savings Scheme in this Province. They have instructed Collectors of districts and Small Savings Officers to take vigorous action to form Savings Groups in order to encourage regular savings by small savers and stimulate investments in National Savings Certificates.

4. *Taxation.*—In 1943, the Madras Government raised the rate of the general sales-tax, the rates of stamp duties and registration duties and the rates of the entertainments and betting taxes in the

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Province as an anti-inflationary measure. This resulted in considerable surpluses in the Revenue Account during the war years. These were transferred to a Revenue Reserve Fund and invested in Government of India securities, so as to assist in immobilizing some of the surplus purchasing power during the war. It was necesary to draw largely on the Revenue Reserve Fund to meet the very heavy expenditure that the Government had to incur on food subsidies in 1946–47 to save the Province from famine conditions. Further drawals on the fund will be necessary to meet revenue deficits due to the rapid extension of Prohibition. The Government have, however, constantly in mind the urgent necessity for increasing the revenues of the Province and avoiding revenue deficits. They have published for criticism a bill for further increase in the rates of entertainment tax. They are also considering further enhancing the rates of the general sales tax and the betting tax.

5. *Price Control Measures.*—During the years 1945 and 1946, the prices and distribution of essential consumer goods were regulated by the provisions of the Hoarding and Profiteering Prevention Ordinance and the Consumer Goods (Control of Distribution) Order. Both the Ordinance and the control order lapsed on the 30th September 1946. By that time, the supply position of consumer goods had become easier, and imports of consumer goods had begun to come in freely. The Madras Government therefore considered it unnecessary to keep alive the Hoarding and Profiteering Prevention Ordinance and the Consumer Goods Control Order on a Provincial basis by Provincial legislation. The position is, however, being watched and re-imposition of the control will be considered if any tendency is observed for traders to exploit consumers by cornering goods or making unreasonable profits.

Control over the prices of foodgrains is administered by the Central Government on an All-India basis. They exercise a strict control over the prices of foodgrains through the Provincial Government, and any change in the existing fixed prices requires the previous approval of the Central Government.

With a view to preventing speculators from entering the foodgrains trade, the Government have issued the Foodgrains Control Order. No person is allowed to do business in foodgrains in wholesale quantities except under a licence issued under this Order. The qualification for the grant of the licence is that the person should have traded in foodgrains during the basic period, viz., 1941–42.

Till December 1946, the Police were prohibited from investigating offences against food control orders and launching prosecutions of the offenders. This prohibition was withdrawn in December 1946, so that more effective action might be taken against black-marketing.

Rationing of cereals is in force throughout the Province. The prices of cereals are controlled at the different stages as they pass from the producer through the wholesale and retail agencies to the

consumer. The margin of profit allowed to wholesalers and retailers is restricted. As the producers, wholesalers and retailers are required to maintain accounts for the quantities produced or purchased and sold by them, there is not much scope for black-marketing. Suitable action is taken against persons who do not maintain proper accounts and who are suspected of black-marketing.

Paddy and rice.—In view of the growing scarcity of rice since 1942, occasioned by the stoppage of imports from Burma, Siam, etc., and the purchases by other Provinces and States before control was applied, the Government have been gradually tightening up the control over the prices of paddy and rice. Under the scheme of intensive procurement of paddy which is in force throughout the Province, the Government have fixed the purchase prices of paddy with reference to its cost of production and the prices of essential commodities entering into the cost of living of the producers. As a system of rural rationing is in force throughout the Province, the Government have a large measure of direct control over the whole range of issue prices of rice. The issue prices are fixed after allowing a sufficient margin over the purchase prices to cover the handling charges, cost of transport, profit margins for wholesalers and retailers and such other incidental items. The prices of paddy and rice are thus controlled right from the purchase at the village-site down to the sale to the consumer. The criteria applied in fixing these prices are that they should be remunerative to the producer and also within the reach of the consumer.

The Government are importing substantial quantities of paddy and rice from outside the Province under the Basic Plan of the Government of India, and they have ordered that all paddy and rice imported from outside the Province should be sold at prices not higher than the prevailing prices for local rice in the Province.

The Government have thus been keeping a close watch over the prices of paddy and rice, and controlling them at a reasonably low level. They are well aware of the fact that if the prices of paddy and rice, which are the staple foodgrains in the Province, are allowed to increase unduly, this would cause large increases in general commodity prices and the cost of living. The Madras Government's Price Control policy in regard to paddy and rice is essentially a measure intended to check inflation.

Potatoes.—At present, there is a ban on the export of potatoes out of the Province. The control over the price and distribution of potatoes within the Province has been removed. The Government Purchasing Depot at Ootacamund, which was started to help the small growers to dispose of their produce at a fair price has been transferred to the Nilgiris Co-operative Marketing Society, Ootacamund. The Society is expected to help in the acquisition and disposal of the crop of the small growers in the Nilgiris at a reasonable price.

Owing to procurement of rice not having been satisfactory, the scale of ration was reduced from 10 to 8 ounces and it was decided

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to make potatoes available in ration shops at reasonable prices, so that the public might purchase them to make up for the deficiency in rice rations. This arrangement will be necessary till November 1947. It is proposed to control the movement of potatoes from the Nilgiris and their prices till November next.

Cattle feed.—With a view to facilitating immediate action to improve the unsatisfactory position regarding supply, distribution and prices of cattle feed, the Government have declared the commodity to be an essential article under the Madras Essential Articles Control and Requisitioning (Temporary Powers) Act, 1946, and have delegated powers to the Commissioner of Civil Supplies and all Collectors to control its movement, supply and distribution and alos to requisition stocks, if necessary.

In view of the shortage of cattle feed in Madras City and the agitation of the City milkmen for cattle feed to be made available at reasonable prices, the Government have constituted an Advisory Committee to consider the matter. The Committee has submitted proposals to the Government for the procurement and distribution of cattle feed on Government account in Madras City, and they are under active consideration.

Meat.—With a view to controlling the supply and prices of meat, the Government have issued an order called " The Madras Meat Dealers' Control Order, 1947.' No person is permitted to trade in meat except under a licence issued under this Order. Every licensee will have to comply with all directions that may be given to him in regard to the purchase, sale or storage for sale, of meat, the days on which meat may be sold, the prices at which it may be sold, etc.

Sugar control.—Control over sugar is administered by the Central Government on an All-India basis. This Province has been allotted a limited quota of sugar. The quota has been distributed among the districts more or less on a population basis. There is statutory rationing of sugar in Madras City. The apportionment of district quotas between municipal towns and other rural areas is now done by the District Food Committees more or less on a population basis. There is also informal rationing of sugar in all municipal towns. Collectors have been authorized to fix the price of sugar within certain specified limits prescribed by the Sugar Controller. With a view to preventing speculators from entering the sugar trade, the Government have issued the Madras Sugar Dealers' Licensing Order, 1947. No person is permitted to carry on business as a wholesale dealer in sugar except under, and in accordance with the terms and conditions of a licence issued under this order. Only *bona-fide* dealers in sugar who were regularly engaged in the sugar trade for at least one year prior to the 1st May 1942 are eligible for a licence. It has been made obligatory on the part of every wholesale and retail dealer in sugar to sell sugar at the prices notified by Collectors, so long as he has any stock. The penalty for violation is the cancellation of the offender's licence and confiscation of his stock of sugar. Every

dealer is required to furnish to every purchaser a memorandum of sale showing the particulars of sale, and to retain and keep available for inspection the duplicate of every such memorandum. In addition, every dealer is required to exhibit prominently in his place of business, a board showing the stock of sugar held by him and the sale price fixed by the District Collector.

Firewood.—There is statutory rationing of firewood in Madras City and informal rationing has also been applied to most important towns in the mufassal by the Collectors concerned. The price of firewood is statutorily controlled by the Provincial Government in Madras City. The Government have delegated power to all Collectors to fix the price of firewood within their respective jurisdictions. In order to regulate firewood supplies, the Government have delegated to certain Collectors power to control the transport and distribution of firewood and also power to requisition topes to ensure steady supplies and equitable distribution of firewood.

Jaggery.—Ceiling prices for cane jaggery have been fixed for each district in the Madras Presidency with a view to keeping the price of jaggery down to a level within the reach of the poor. There is no restriction on the movement of the commodity within the Province. Exports outside the Province are, however, allowed only under a system of permits in accordance with the instructions of the Gur Controller appointed by the Central Government. The general control over jaggery is kept in force by the Gur Control Order, 1946, issued by the Central Government. Orders have been issued that refusal by any dealer to sell jaggery will constitute an offence. Dealers are also required to maintain accounts, and Collectors or subordinates authorized by them are empowered to check the accounts when necessary.

Kerosene.—Control over kerosene is enforced by virtue of the Madras Kerosene Control Order, 1947. This order provides for inspection of accounts of the dealers by any Officer authorized by the Commissioner of Civil Supplies or the Collector or the City Rationing Officer.

Onions, butter, ghee, cream, eggs, dried fish, prawns, tapioca and tapioca products.—Export of these commodities outside the Province is prohibited except under permits, but their prices are not controlled.

Salt.—The Government have fixed the maximum ex-factory price of salt. On the basis of this, Collectors fix the wholesale prices in their respective districts, taking into account the transport and other incidental charges.

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THE HON. SRI K. CHANDRAMOULI:—"There was considerable increase in the population, Sir. I can give the figures also. The population in 1941 was . . . (Interruption.) But I can tell you that the electoral rolls were only amended and not corrected properly."

KUMARARAJA SIR MUTHIAH CHETTIYAR OF CHETTINAD:—"In view of the fact that the electoral rolls have in the recent past only been partially amended and in view of the fact that we have attained freedom in the year 1947, will it not be advisable for the Government not to hold the elections on the basis of these imperfect rolls and whether also will it not be advantageous to have real elections in the City on a full electoral roll?"

THE HON. SRI K. CHANDRAMOULI:—"That is exactly the intention of the Government, Sir."

SRI V. I. MUNISWAMI PILLAI:—"Recently the Corporation has extended its limits, Sir, may I know whether fresh electoral rolls have been prepared for those people who have come under that area?"

THE HON. SRI K. CHANDRAMOULI:—"No separate electoral roll was prepared for the areas, but the electoral rolls of the Chingleput district relating to the areas coming into the Corporation were taken and incorporated in the Corporation Rolls."

SRI V. M. RAMASWAMI MUDALIYAR:—"May I know, Sir, why for similar reasons the municipal elections in the mufassal municipalities have not been postponed and why this discrimination should be made between the mufassal and the City?"

THE HON. SRI K. CHANDRAMOULI:—"The electoral rolls of the municipalities are not so bad as that of the Corporation, Sir."

SRI A. KAMESWARA RAO:—"Is it not a fact that the President of the Indian National Congress has instructed them to stop all the elections in view of the fact that there would be double elections when we put into effect the Constituent Assembly's resolution?"

THE HON. DR. P. SUBBARAYAN:—"May I point out for your consideration, Sir, that references to other outside bodies are completely out of order?"

MR. SPEAKER:—"No reference to outside bodies should be made. But the Hon. Ministers are answering those questions."

MOHAMED ABDUL SALAM SAHIB BAHADUR:—"Is it not a fact that where it was not possible for elections to be held in the mufassal municipalities they are superseded and the Commissioners are appointed as Special Officers and may I know why in the case of the City also the Council should not be superseded and the Commissioner made a Special Officer instead of continuing the same councillors?"

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THE HON. SRI K. CHANDRAMOULI:—"The Government feel that at present the Councillors can manage the affairs of the Corporation well. As and when the Corporation Councillors are not managing well, the matter may be brought to the notice of the Government by the hon. Member or by anybody else."

MUHAMMAD RAZA KHAN SAHIB BAHADUR:—"When did it occur to the Hon. Minister that the electoral rolls were defective? Was it before the resolution was passed by the Corporation or afterwards?"

THE HON. SRI K. CHANDRAMOULI:—"Much earlier, Sir."

SRI V. RAGHAVAYYA:—"In view of the fact that adult franchise is going to be introduced very soon, will the Government wait on for a few more months before a perfect body of Corporation is brought into existence in Madras?"

THE HON. SRI K. CHANDRAMOULI:—"The hon. Member may repeat his question, Sir."

SRI V. RAGHAVAYYA:—"In view of the fact that adult franchise is coming into existence very soon all over this country will the Government be pleased to wait until such suffrage is put into execution in this Province and postpone the elections to the Corporation?"

THE HON. SRI K. CHANDRAMOULI:—"The suggestion will be taken into consideration."

MUHAMMAD RAZA KHAN SAHIB BAHADUR:—"In view of the importance of the matter, I request you, Sir, either now or afterwards to allow a half-an-hour debate on my short notice question. It is a matter of very great importance as far as the public of the City of Madras is concerned, Sir."

MR. SPEAKER:—"I shall allow a half-an-hour debate after 5 o'clock this evening."

[* 123 *Q.*—Answered on 25th September 1947 and taken up for supplementary questions to-day.]

BEGUM SULTAN MIR AMIRUDDIN:—"May I know what steps the Provincial Government have taken to increase the production of essential goods within the Province as a means of checking inflation?"

THE HON. SRI B. GOPALA REDDI:—"By way of giving necessary encouragement for those people who apply for State Aid."

BEGUM SULTAN MIR AMIRUDDIN:—"I do not follow the answer, Sir."

THE HON. SRI B. GOPALA REDDI:—"My answer was that the Government give necessary encouragement for those who come forward with their applications for State Aid."

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BEGUM SULTAN MIR AMIRUDDIN:—"Is that all that the Government have done?"

THE HON. SRI B. GOPALA REDDI:—"The Provincial Government have no more powers than that, Sir."

SRI C. M. KOTHARI:—"Is the Hon. Minister aware that the steps taken in respect of the control of rice, paddy, potatoes, cattle-foods, meat, sugar, firewood and jaggery are measures of control against the prevention of hoarding and profiteering and that they are not measures for checking inflation?"

THE HON. SRI B. GOPALA REDDI:—"They serve a double purpose, Sir."

SRI C. M. KOTHARI:—"Is the Hon. Minister aware that inflation can only be checked by production and, if so, what measures have the Ministry taken to produce more?"

THE HON. SRI B. GOPALA REDDI:—"The Provincial Government does not produce anything. They can only encourage people who want to produce."

MOHAMED ABDUL SALAM SAHIB BAHADUR:—"Will the Government consider the advisability of resorting to further borrowing to check inflation?"

THE HON. SRI B. GOPALA REDDI:—"I cannot give any assurance to the hon. Member on that point, Sir."

SRI PILLALAMARRI VENKATESWARLU:—"May I know what steps the Government propose to take to see that the commodities are supplied at controlled prices to the people as most of the commodities are going into the blackmarket?"

THE HON SRI B. GOPALA REDDI:—"All effective steps are taken and I think in our Food Debate we have discussed the matter thoroughly."

SRI PILLALAMARRI VENKATESWARLU:—"My question was not answered, Sir."

MR. SPEAKER:—"Probably the answer was not audible."

SRI PILLALAMARRI VENKATESWARLU:—"My question was not answered at all."

MR. SPEAKER:—"If it was not audible to the hon. Member I shall request the Hon. Minister to repeat his answer."

THE HON. SRI B. GOPALA REDDI:—"The hon. Member may be asked to repeat his question, Sir."

SRI PILLALAMARRI VENKATESWARLU:—"The Hon. Minister was requested by the Hon. Speaker to repeat the answer, Sir."

MR. SPEAKER:—"It appears the question was not audible to the Hon. Minister. The hon. Member is requested to repeat his question." (Laughter.)

SRI PILLALAMARRI VENKATESWARLU:—"May I know what steps the Government propose to take to see that the commodities are supplied to the people at controlled prices as most of the commodities are going into the blackmarket?"

THE HON. SRI B. GOPALA REDDI:—"I do not accept the statement, Sir, that all the commodities are going into the blackmarket. But I may assure him, Sir, that the Government are taking effective steps to check the goods from going into the blackmarket."

SRI V. M. RAMASWAMI MUDALIAR:—"In spite of the steps taken by the Government to put down inflation, are the Government aware that the cost of living has kept constant at about three times the pre-war level?"

THE HON. SRI B. GOPALA REDDI:—"The cost of living is another thing, Sir. Because there is shortage and paucity of goods sometimes the cost of living is very high. But there are signs of money being withdrawn from the market, Sir."

11-15 a.m. SRI V. I. MUNISWAMI PILLAI:—"Sir, it is said that the control over the price of potatoes has been removed; may I know when the control has been removed?"

THE HON. DR. T. S. S. RAJAN:—"There is no control over the price of potatoes at present, Sir, but the hon. Member may wait and see when it will be imposed."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Have the Government been able to impress upon the Government of India that exports from the Province have been considerably restricted on account of the fact that the sterling balance question has not been settled and that the dollar question is standing in the way?"

THE HON. SRI B. GOPALA REDDI:—"I do not quite see, Sir, that the export trade of the Province has been hampered because of the sterling balance question."

SRI S. NAGAPPA:—"It is said, Sir, that sugar quota has been distributed among the districts more or less on a population basis; may I know whether the Government are aware that sugar in rural parts is given only to the rice-eating section but not to other people, especially the poor?"

THE HON. SRI B. GOPALA REDDI:—"I must thank the hon. Member for the information."

SRI S. NAGAPPA:—"May I ask the Government, what action they are taking in the matter, taking the information from me?"

THE HON. SRI B. GOPALA REDDI:—"We shall look into it, Sir."

MOHAMED ABDUL SALAM SAHIB BAHADUR:—"As an effective means of checking inflation, will the Government consider the advisability of introducing the Agricultural income-tax immediately?"

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THE HON. SRI B. GOPALA REDDI:—" I do not think such a measure will help anti-inflation, Sir."

M. A. MUHAMMAD IBRAHIM SAHIB BAHADUR:—" May I know, if the Government are aware that any increase in the taxation as a measure of checking inflation will naturally affect business enterprise and thereby retard production indirectly? "

THE HON. SRI B. GOPALA REDDI:—" Sir, the whole idea is to withdraw money from the people into the hands of the Government."

SRI P. NATESAN:—" Will the Hon. Minister concede that the purchasing power of the people can easily be exhausted by an adequate supply of manufactured goods? If so, what steps are being taken by the Government to supply such goods to the consumers? "

THE HON. SRI B. GOPALA REDDI:—" We are aware of all that, Sir, but the Provincial Government have nothing to do with that matter, and it is the Government of India that will have to arrange for imports of manufactured goods."

BEGUM SULTAN MIR AMIRUDDIN:—" May I know, Sir, how far the Small Savings Scheme has been a success and how much savings it has been able to effect? "

THE HON. SRI B. GOPALA REDDI:—" The scheme is a success, Sir. If the hon. Member wants actual figures, I can supply her later."

SRI A. VEDARATNAM PILLAI:—" May I know, Sir, whether the Government have any idea of floating loans for capital expenditure to check inflation? "

THE HON. SRI B. GOPALA REDDI:—" I have nothing to say about it at present, Sir."

SRI P. NATESAN:—" Does the Hon. Minister consider that the Betting Tax is an anti-inflationary measure, and if so, will he please advise the Hon. Leader of the House to get on with the races for some more time? "

THE HON. SRI B. GOPALA REDDI:—" I am not prepared to advise the Hon. Leader of the House in the matter Sir, but we will very soon see what the Betting Tax is going to be."

SRI S. NAGAPPA:—" Sir it is stated that the penalty for such a violation is the cancellation of the offender's licence and confiscation of his stock of sugar. May I know, Sir, from how many dealers have the stocks of sugar been confiscated by the Government? "

THE HON. SRI B. GOPALA REDDI:—" Notice, Sir."

MOHAMED ABDUL SALAM SAHIB BAHADUR:—" Arising out of the answer laid on the Table of the House, is the

Hon. Minister of the opinion that checking of inflation is not the business of the Provincial Government, but of the Central Government, and if so, whether the Provincial Government will make a strong representation to the Government of India in the matter?"

THE HON. SRI B. GOPALA REDDI:—"The Government of India are quite aware of their duty, Sir, and it is not the duty of the Provincial Government to be constantly knocking at their doors."

SRI PILLALAMARRI VENKATESWARLU:—"Sir, as has been admitted even by the Government in the answer laid on the table that black-marketing is still going on in cloth and sugar, will the Government take effective steps in the matter and see that the distribution of cloth and sugar is entrusted to co-operative societies only?"

THE HON. SRI B. GOPALA REDDI:—"It will be considered, Sir."

SRI C. M. KOTHARI:—"Is the Hon. Minister aware that taking away the extra purchasing capacity of the people by heavy taxation, takes away their incentive to greater production and that the remedy lies elsewhere than in taxation, namely, production?"

THE HON. SRI B. GOPALA REDDI:—"Sir, it is a question of choice between two evils. We know the advantages and disadvantages of both."

M. MUHAMMAD ISMAIL SAHIB BAHADUR:—"Sir, will the Government realize the fact that production is mainly the cure for inflation? Do they say that they are absolutely powerless in the matter of increasing production?"

THE HON. SRI B. GOPALA REDDI:—"I am not saying absolutely ' Sir, but ' mostly '."

Budget deficit for 1946-47.

134-B *Q.*—SRI P. NATESAN: Will the Hon. the Minister for Finance be pleased to state—

(*a*) the Budget deficit for 1946-47; and

(*b*) the anticipated budget deficit for 1947-48?

THE HON. SRI B. GOPALA REDDI:—"(*a*) The revenue deficit for 1946-47 (before making the transfer from the Revenue Reserve Fund to wipe out the deficit) according to the Budget Estimate and the Revised Estimate for that year is Rs. 893·85 lakhs and Rs. 825·61 lakhs, respectively, as shown in the relevant budget documents. The actual revenue deficit for the year is not yet known, as the Accountant-General has not yet completed all the necessary adjustments that have to be made in the accounts before he furnishes the final accounts figures for the year. The actual revenue deficit for 1946-47 prior to making the transfer from the Revenue Reserve Fund will be shown in due course in the budget documents for 1948-49.